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Carol E. Shrum, Vice President
Duke Energy Carolinas
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August 30, 2007

2006-268-E

The Honorable Charles Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

Dear Mr. Terreni:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending June 30, 2007. Please feel free to call me at (704) 382-9826 or Veronica Williams at (704) 382-8071.

Yours truly,

Carol Shrum

Carol E. Shrum
Rates & Regulatory Accounting

Enclosure

CES:jr

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

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CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Dwight L. Jacobs, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

D Jacobs
Signature of Person Making Verification

Dwight L. Jacobs
Typed or Printed Name of Person Signing

VP, Franchised Electric and Gas Accounting
Title

8/24/07
Date Signed

Ellen T. Ruff
Signature of President

Ellen T. Ruff
Typed or Printed Name of Person Signing

President, Duke Energy Carolinas
Title

8/24/07
Date Signed

Subscribed and sworn to before me this 24th day of August, 2007.

Brenda M. Atchley
Notary Public

My Commission Expires: December 4, 2009.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric operating revenue	\$5,495,232		\$1,304,402	(\$1,373)	\$1,303,029
	Electric operating expenses:					
	Operation and maintenance:					
2	Fuel used in electric generation	1,447,591		363,162	(246)	362,916
3	Purchased power and net interchange	110,182		13,137	(16)	13,121
4	Wages, benefits, materials, etc.	1,486,340		375,414	(1,263)	374,151
5	Depreciation and amortization	880,101		170,897	5,488	176,385
6	General taxes	299,563		63,940	6,154	70,094
7	Interest on customer deposits	3,537		434	0	434
8	Income taxes	330,225		81,927	(4,307)	77,620
9	Amortization of investment tax credit	(8,603)		(2,203)	7	(2,196)
10	Total electric operating expenses	4,548,936		1,066,708	5,817	1,072,525
11	Operating income	\$946,296		237,694	(7,190)	230,504
12	Add: Customer growth adjustment				2,301	2,301
13	Income for return			\$237,694	(\$4,889)	\$232,805
14	Original cost rate base (b)			\$2,777,048	\$72,940	\$2,849,988
15	Rate of return on South Carolina retail rate base			8.56%		8.17%

Notes: (a) From Page 3, "Total adjustments" line.

(b) From Page 4, Line 11.

Line No.	Description	South Carolina Retail							
		Total Company Capitalization		Per Book		Pro forma			
		June 30, 2007		Embedded		Embedded			
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Cost/Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Cost/Return % (Col. 7)	Operating Income (Col. 8)
1	Long-term debt	\$4,713,594	42.77%	\$1,187,743	6.06%	\$71,977	\$1,218,940	6.06%	\$73,868
2	Preferred stock	0	0.00%	0	0.00%	0	0	0.00%	0
3	Members' equity	6,307,200	57.23%	1,589,305	10.43%	165,717	1,631,048	9.74%	158,937
4	Total	\$11,020,794	100.00%	\$2,777,048 (a)		\$237,694 (b)	\$2,849,988 (c)	(e) (f)	\$232,805 (d)

Notes:

(a) From Page 4, Line 11, Column 2.

(b) From Page 1, Line 13, Column 2.

(c) From Page 4, Line 11, Column 4.

(d) From Page 1, Line 13, Column 4.

(e) If adjusted for weather, this rate would be 9.79%.

(f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$55 million for the 12 mos ended 06/30/07. A net of tax South Carolina Retail allocation of profits would amount to approximately \$9 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 6)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To annualize depreciation on year-end plant					\$2,596			(\$1,020)		(\$1,576)
2	To annualize wage rate increases				\$2,453		\$477		(1,151)		(1,779)
3	To annualize property taxes on year end plant						5,280		(2,074)		(3,206)
4	To reflect CWIP closings to plant					3,347	652		(1,571)		(2,428)
5	To adjust income taxes to reflect interest synchronization								202		(202)
6	To exclude Greenwood operations	(\$1,373)	(\$246)	(\$16)	(3,716)	(455)	(255)	\$0	1,307	\$7	2,001
7	Total adjustments	(\$1,373)	(\$246)	(\$16)	(\$1,263)	\$5,488	\$6,154	\$0	(\$4,307)	\$7	(\$7,190)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	\$21,421,232		\$5,512,721	\$97,480	\$5,610,201
2	Less: Accumulated depreciation and amortization	(9,338,225)		(2,424,872)	(5,943)	(2,430,815)
3	Net electric plant	12,083,007		3,087,849	91,537	3,179,386
4	Add: Materials and supplies	601,013		160,599	(14,471)	146,128
5	Working capital investment	723,505		183,792	0	183,792
6	Plant held for future use	3,706	31.9285%	1,183	0	1,183
7	Less: Accumulated deferred taxes	(1,583,573)		(505,826)	0	(505,826)
8	Operating reserves	(535,004)		(138,089)	0	(138,089)
9	Customer deposits	(51,106)		(12,460)	0	(12,460)
10	Greenwood				(4,126)	(4,126)
11	Total original cost rate base	\$11,241,548		\$2,777,048	\$72,940	\$2,849,988

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$10,500,774		\$2,733,205	\$52,086	\$2,785,291
2	Transmission	2,043,563	19.8603%	405,858	12,318	418,176
3	Distribution (b)	7,261,634	26.7799%	1,944,658	26,972	1,971,630
4	General	573,338	25.7062%	147,383	6,093	153,476
5	Intangible	281,338	25.2759%	71,111	11	71,122
6	Subtotal	20,660,647		5,302,215	97,480	5,399,695
7	Nuclear fuel	760,585	27.6769%	210,506		210,506
8	Total electric plant in service	<u>\$21,421,232</u> (a)		<u>\$5,512,721</u>	<u>\$97,480</u>	<u>\$5,610,201</u>

Notes: (a) Excludes electric plant held for future use of.....
and electric plant acquisition adjustment of.....

\$3,706
\$284

(b) The accounting adjustment in Col. 3 represents
non-growth related additions to distribution plant.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$4,580,101		\$1,198,145	\$2,463	\$1,200,608
2	Transmission	982,060	19.7862%	194,312	605	194,917
3	Distribution	3,029,309		832,268	2,225	834,493
4	General	68,285	25.5904%	17,474	648	18,122
5	Intangible	202,485	25.1551%	50,935	2	50,937
6	Subtotal	8,862,240		2,293,134	5,943	2,299,077
7	Nuclear fuel	475,985	27.6769%	131,738		131,738
8	Total accum depreciation and amortization	<u>\$9,338,225 (a)</u>		<u>\$2,424,872</u>	<u>\$5,943</u>	<u>\$2,430,815</u>

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam production plant	4.20%
10	Nuclear production plant (excluding nuclear decommissioning)	1.97%
11	Hydro production plant	2.74%
12	Combustion turbines	3.09%
	Transmission plant:	
13	Right-of-way	1.41%
14	Other	2.81%
15	Distribution plant	3.11%
16	General plant	2.38% - 11.88%
17	Intangible plant	20.00%

Note: (a) Excludes amortization of electric plant acquisition adjustment of.....

\$155

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel stock:				(a) & (b)	
1	Coal	\$246,646	27.6769%	\$68,264	(\$14,861)	\$53,403
2	Oil	25,884	27.6769%	7,164	390	7,554
3	Total fuel stock	272,530		75,428	(14,471)	60,957
4	Other electric materials and supplies and stores clearing	328,483	25.9287%	85,171	0	85,171
5	Total materials and supplies	\$601,013		\$160,599	(\$14,471)	\$146,128

Notes: (a) Adjustment to per book coal inventory balance
to reflect target inventory level.

Coal inventory target level (in tons)	2,867,440					
Price per ton - coal	\$67.29					
Total company pro forma inventory	\$192,950	27.6769%		\$53,403		
Per book coal inventory				68,264		
Coal adjustment				(\$14,861)		

(b) Adjustment to per book oil inventory balance
to reflect target inventory level.

Oil inventory target level (in gallons)	19,777,000					
Price per gallon - oil	\$1.38					
Total company pro forma inventory	\$27,292	27.6769%		\$7,554		
Per book oil inventory				7,164		
Oil adjustment				\$390		

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve months operating and maintenance expenses, exclusive of purchased power and nuclear fuel expense	<u>\$2,826,770</u>		<u>\$709,115</u>		<u>\$709,115</u>
2	1/8 of O&M expenses on line 1	\$353,346		\$88,639		\$88,639
3	Less: Average taxes accrued	<u>(181,552)</u>		<u>(40,497)</u>		<u>(40,497)</u>
4	Subtotal	171,794		48,142	\$0	48,142
5	Required bank balances	1,018	25.8108%	263		263
6	Bond reacquisition premiums	104,954		19,862		19,862
7	Prepayments	445,739	25.9177%	115,525		115,525
8	Total working capital investment	<u>\$723,505</u>		<u>\$183,792</u>	<u>\$0</u>	<u>\$183,792</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$496,213	25.9261%	\$128,649	\$0	\$128,649
2	Transmission	51,285	19.8603%	10,185	0	10,185
3	Distribution	100,439	26.7799%	26,897	0	26,897
4	General	14,071	25.7062%	3,617	0	3,617
5	Intangible	<u>73,729</u>	25.2759%	<u>18,636</u>	<u>0</u>	<u>18,636</u>
6	Total construction work in progress	<u>\$735,737</u>		<u>\$187,984</u>	<u>\$0</u>	<u>\$187,984</u>

Line No.	Description	
	12 Months Ended June 30, 2007	
1	SEC Fixed Charges Coverage	3.9
2	Earnings per Share	\$1.45

Line No.	Item	Total Company	Wholesale Jurisdiction	% of Total	N.C. Retail	% of Total	S.C. Retail	% of Total
1	Operating Revenues (\$000s)							
2	Residential	\$2,037,097			\$1,570,691	77.1044%	\$466,406	22.8956%
3	Commercial	\$1,672,825			\$1,314,554	78.5829%	\$358,271	21.4171%
4	Industrial	\$1,062,351			\$650,692	61.2502%	\$411,659	38.7498%
5	Public Street & Hghwy Lighting	\$31,246			\$26,671	85.3587%	\$4,575	14.6413%
6	Interdepartmental	\$0			\$0	0.0000%	\$0	0.0000%
7	Sales for Resale:							
8	Special Contract	\$318,886	\$240,246	75.3390%	\$56,711	17.7839%	\$21,930	6.8770%
9	Other	\$67,552	\$67,552	100.0000%				
10	Total Rev from Sales of Electr	\$5,189,957	\$307,798	5.9306%	\$3,619,318	69.7370%	\$1,262,841	24.3324%
11	Kilowatthour Sales (000s)							
12	Residential	25,905,956			19,639,508	75.8108%	6,266,448	24.1892%
13	Commercial	26,319,598			20,655,939	78.4812%	5,663,659	21.5188%
14	Industrial	24,008,454			14,105,839	58.7536%	9,902,614	41.2464%
15	Public Street & Hghwy Lighting	272,698			230,937	84.6860%	41,761	15.3140%
16	Interdepartmental	0			0	0.0000%	0	0.0000%
17	Sales for Resale:							
18	Special Contract	6,131,543	4,619,445	75.3390%	1,090,429	17.7839%	421,668	6.8770%
19	Other	1,580,664	1,580,664	100.0000%				
20	Total KWH Sales	84,218,913	6,200,110	7.3619%	55,722,653	66.1641%	22,296,150	26.4740%
21	Revenue Per KWH Sold (Cents)							
22	Residential	7.86			8.00		7.44	
23	Commercial	6.36			6.36		6.33	
24	Industrial	4.42			4.61		4.16	
25	Public Street & Hghwy Lighting	11.46			11.55		10.95	
26	Interdepartmental	0.00			0.00		0.00	
27	Sales for Resale:							
28	Special Contract	5.20	5.20		5.20		5.20	
29	Other	4.27	4.27					
30	Total Revenue per KWH Sold	6.16	4.96		6.50		5.66	